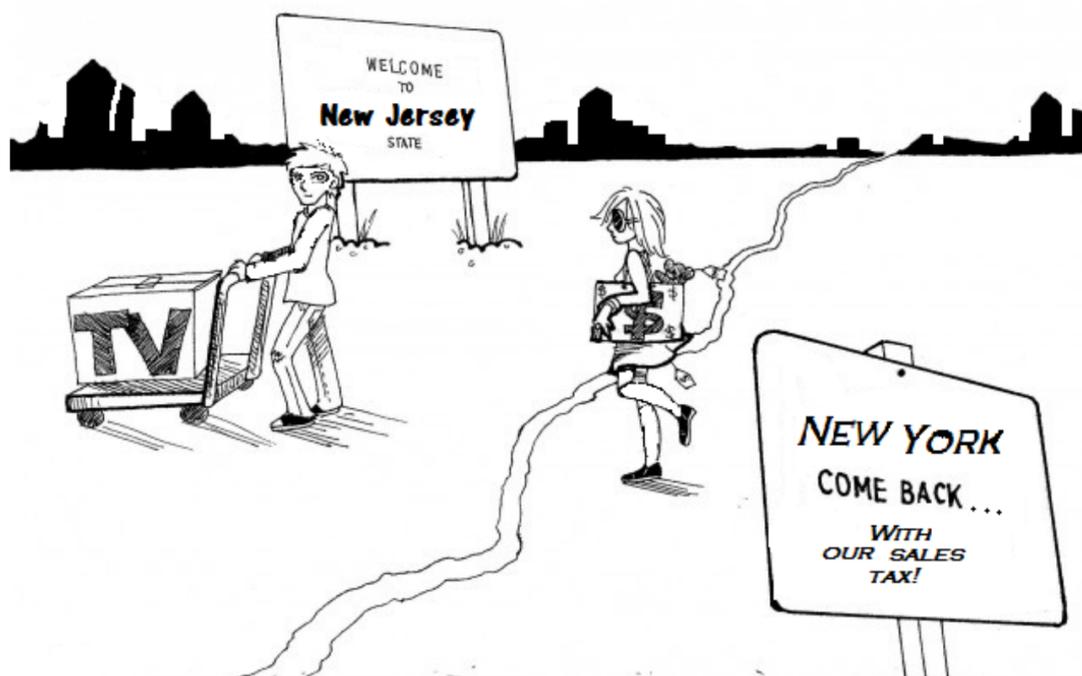




IN THE MIST OF CONFLICT...IS THERE A SALES TAX SOLUTION?



Donald Trump, our nation's President Elect, once said "Sometimes you need conflict in order to come up with a solution". This can certainly be applied to sales tax laws. Laws are often archaic and new laws are frequently created only when a conflict arises. But what happens when there is conflicting laws between two states? And what happens if it appears that both states' laws would apply?

For example, New York and New Jersey have conflicting laws regarding pickup and storage of property. New York says it is taxable where the property is picked up. New Jersey says it is taxable where the property is stored. But there are companies that pick up property in New York and store it in New Jersey. In this case, which state's laws apply? The question is still being debated.

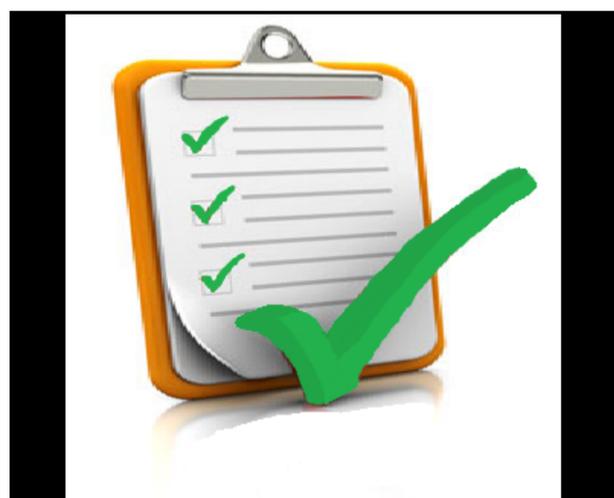
There is a city called Texarkana that sits in both Texas and Arkansas at the same time. A street runs through a common downtown and dead-ends at a historic federal building. The street and the building itself is half in Texas and half in Arkansas. If businesses straddle the border, which state's laws apply?

Due to each state having its own sales tax laws which may conflict, there is proposed legislation called the Marketplace Fairness Act. Its goal is to simplify sales tax laws across states by making every sale taxable. But administratively, this law could make it very complicated for businesses. If a business in New York makes a single sale to someone in Oregon, the business would theoretically be required to file an Oregon sales tax return, collect sales tax from that one customer, and remit it to the State of Oregon. If a business makes a single sale to 12 individuals in 12 different states, the business might be required to prepare and file 12 sales tax returns.

Some say the solution is "origin sourcing", which means that everything is taxable in your home state no matter which state a business ships its product to. However, there are issues with this theory as well. What if a business has locations in several different states? What if the headquarters is in one state but a location in another state processes all of the orders and ships out the product?

Sales tax is complicated and there may be no easy solution to simplify it. If you have questions about sales tax in any of the 50 states, we are here to help!

SUCCESS STORY: RECORDS IMPROVED ON A SECOND AUDIT



A few years ago we represented a company on its first sales tax audit with the New York State Department of Taxation and Finance. The company did not have documentation of its out of state sales or resale certificates for its sales for resale. When the company came to us, the Tax Department had issued a proposed bill for

ABOUT OUR FIRM



We are a dedicated team of sales and use tax professionals who have committed our careers to helping businesses and fellow professionals with sales and use tax problems.

Department had issued a proposed bill for \$450,000 in tax plus interest and penalties. We were able to settle the case for \$125,000 in tax plus simple interest. However, we informed the owner that the Tax Department would certainly be back for a re-audit. We worked with the owner to set up a system of controls to avoid these problems going forward.

Unfortunately for the company our prediction was correct and three years later, they received the dreaded letter from the Tax Department informing the company that it was conducting a sales tax audit. However, due to our guidance, the company had begun keeping much better books and records. It was able to prove its out of state sales as well as most of its exempt sales. Furthermore, since we were able to show that the company improved its record keeping, the Tax Department agreed to once again waive penalties. The tax due was \$26,000, (from the initial cusp period before our recommended changes were implemented), plus simple interest.

With some tighter controls in place, we are sure that if the Tax Man ever comes knocking again, it will find that the company owes no additional tax.

Since the only work we are focused on is sales tax consulting, businesses never have to be concerned that we will try to sell them other services they do not need. And professionals never have to be concerned with us encroaching on their client relationships, because we view you, our fellow professional, as our client.

WHEN YOU HAVE A SALES TAX PROBLEM, *WE ARE THE SOLUTION!*

CALL: **631-491-1500**

CONTACT US!

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"I do appreciate all that you have done for me. Its nice to know that when the tax department came down on me that I had a voice through you."

-Thomas D.

MORE TESTIMONIALS

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